

# McKINNEY ECONOMIC DEVELOPMENT CORPORATION

## REGULAR BOARD MEETING

October 18, 2011

The McKinney Economic Development Corporation met on Tuesday, October 18, 2011 in the Dowdy Boardroom of the Corporation office. The meeting was called to order at 8:04 a.m. by Chairman Keith Clifton. Sandy Hart gave the Oath of Office to Doug Parker, Keith Clifton, Steve Heussner and Darrell Tate. Board members present were Secretary-Treasurer Marta Gore, Director Carrie Alfieri, Director Doug Parker, Director Ernest Lynch, III, Director Steven Heussner and Director Darrell Tate.

Staff present was President Jim Young, International Development VP Abby Liu, Administrative Assistant for MCDC, Connie Gibson, and Corporation Attorney Mark Houser.

The Board reviewed the minutes from the Regular Board meeting held on September 20, 2011. Corrections were noted on minutes. Minutes were passed on a motion by Carrie Alfieri and a second by Marta Gore. Motion carried.

The board next reviewed the consent items. Mr. Young reviewed the MEDC check requests for the month of September. Questions were raised by Carrie Alfieri regarding the leather jotters that were ordered. Jason Cooley reviewed the MEDC's balance sheet and operating statement for the fiscal year ending September 30, 2011. Sales tax receipts were approximately \$570,000. The audit adjustment was put under "other income". Marta Gore asked Mr. Cooley if there was a determination of where the adjustment came from. Mr. Rhoades responded by reporting that it was an audit adjustment from Southwestern Bell that went back to 1999. Mr. Rhoades confirmed that the money was ours and would not have to be remitted. The total that the city received was close to \$1.3 million. It was a settlement from the comptroller. The sales tax was close to \$570,000 for September and the October sales tax to date is \$677,000. Mr. Cooley also disclosed that \$957,000 is owed back to The Comptroller's Office due to a tax exempt business that was inside McKinney during the years 2007 through 2010. Ms. Alfieri questioned the \$17,000 in professional services for the month of September under operating expenses. Mr. Cooley will look into it and clarify. Mr. Young reported that there is no more liability for HP Corporate Jets. Marta Gore motioned to accept consent items. Ernest Lynch seconded. Motion carried.

The Board next heard the marketing report. President Young reported that the sponsorship at the TEDC dinner was well received. The Solar Show begins today in Dallas and Mr. Young and Ms. Liu will be attending. Mr. Young also reported that Ms. Liu and the Mayor will be leaving for Taiwan on Saturday, October 23, 2011.

The President's report will be given in Executive Session.

The Board next heard the liaison reports.

The Regional Airport report given by Ken Weigand included information that Phase II of the new runway is well under way and on schedule. Concrete will be poured shortly. The Contractor will also be selected for Phase III. Two board members attended the NBAA Convention in Las Vegas which featured all things related to aviation. Cutter Aviation had a display which included the McKinney airport. It was also reported that it will be at least 2013 before Honda Jet starts production and 2015 before they make a move to McKinney. A question was raised by Mayor Loughmiller about marketing efforts to bring more business to the airport. It was shared that there are possibly two to three new prospects for the airport.

There was no City Manager report.

MCDC Chairman Tracy Rath reported that the MCDC Board meeting was held on September 22, 2011. The Board approved two items: \$12,000 for an all terrain vehicle for the

Heard Museum and \$30,000 for a public transportation bus study requested by the City of McKinney.

Chamber President Jodi Ann LaFreniere announced that this week is Chamber Appreciation Week. The Chamber will host a member appreciation lunch this Friday. The State of the Community Event will take place on Thursday, November 3, 2011. The Chamber will work with other agencies to address the fractured media issues McKinney struggles with. The Board will support five of the ten initiatives on the ballot that relate to business in the community.

McKinney Convention and Visitor's Bureau Director Diann Bayes reported that Dickens of a Christmas and the Holiday Tour of Homes are in full swing in the upcoming months. Ms. Bayes also reported that the collections for the Bastrop fire victims are going very well and have received good press. Pogue Construction will allow MCVB to use their truck to deliver items to Bastrop on October 26, 2011. Operation Appreciation which sends care packages to service men is receiving donations now. Ms. Bayes reported that she has been traveling. She attended two conferences; the TTIA in San Antonio and the AARP convention in Las Vegas.

Abby Liu next gave her International Development report. The Mayor, City Manager and Ms. Liu traveled to Houston and met the Consul General. Ms. Liu had an interview with a Chinese TV station and is working with a company to produce a Taiwanese commercial about McKinney. The Goals for the upcoming trip to Taiwan include business retention and new prospects. The Seminar in Taiwan will be called "Invest in McKinney." The Tong Yang Group is looking to expand. They own 12 acres of undeveloped land in McKinney. The Mayor Pro-Tem reiterated the importance of maintaining strong relationships with our corporate citizens.

Next the board heard a presentation from USP&W.

Mr. William Groover reported that the company is based in McKinney and is continuing to grow. Last year their company experienced growth of 300% and this year 400%. The company focuses their time on emerging markets and work in 32 countries. Their business is portable power supplies. In Africa, they give a bag of rice at the end of the work week to each worker. USP&W works with ministries and missions. They would like to stay in McKinney. Their passion is renewable energy and, whenever possible, they are doing renewable options such as solar, hydrogen fuel cells, and wind turbines. Seventy-five percent of their business is Biomass which has very low operating expenses. They have a \$25 million purchase order to build solar power trailers. The companies that purchase solar trailers are eligible to receive carbon credits. PJ Trailer is the trailer manufacturer out of Sumner, TX. The three areas of business USP&W concentrates on are engineering, procurement, and construction.

Chairman Clifton called for a break at 9:00 a.m.

In accordance with TX GOV'T CODE ANN. S 551.071 et. seq. the meeting was adjourned into executive session at 9:14 a.m. The Board adjourned out of executive session into open session at 11:15 a.m.

Next were the election of the Board officers led by Mark Houser.

There was a nomination by Doug Parker for Keith Clifton for Board Chairman. The nomination was seconded by Ernest Lynch. There were no other nominations. Mr. Clifton was elected Chairman.

Next there was a nomination by Doug Parker for Ernest Lynch for Vice-Chairman. The nomination was seconded for Ernest Lynch by Darrell Tate. There were no other nominations. Mr. Lynch was elected. Next there was a nomination for Marta Gore for the position of Secretary-Treasurer by Keith Clifton and a second by Ernest Lynch. There were no other nominations. Ms. Gore was elected Secretary-Treasurer.

Next Jim Young went over the action items. Mr. Young recommended that an incentive in the form of a rent subsidy under the Emerging Technology program be given for Prospect #11-21. Doug Parker made a motion to offer the incentive. The motion was seconded by Ernest Lynch. Motion carried. Next Mr. Young proposed to indefinitely table Prospect #11-22. Marta Gore motioned to table Prospect #11-22. The motion was seconded by Darrell Tate.

Motion carried. The Board meeting and the Retreat date was scheduled for Tuesday, November 15, 2011. Mr. Young announced that the TPC Broker party will take place on December 1, 2011.

The meeting was adjourned at 11:25 a.m.

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MARTA GORE, MEDC Secretary/Treasurer